

Sirius International Group, Ltd.
Consolidated Balance Sheets
As at June 30, 2020 and December 31, 2019
Unaudited

(Expressed in millions of U.S. dollars, except share information)

	June 30, 2020	December 31, 2019
Assets		
Fixed maturity investments, trading at fair value	\$ 1,900.2	\$ 1,669.3
Short-term investments, at fair value	1,009.3	1,084.0
Equity securities, trading at fair value	149.9	405.2
Other long-term investments, at fair value	368.1	346.8
Cash	186.6	136.1
Restricted cash	18.0	14.3
Total investments and cash	<u>3,632.1</u>	<u>3,655.7</u>
Accrued investment income	11.0	11.1
Insurance and reinsurance premiums receivable	871.7	730.1
Reinsurance recoverable on unpaid losses	442.2	410.3
Reinsurance recoverable on paid losses	106.1	73.9
Funds held by ceding companies	254.7	293.9
Ceded unearned insurance and reinsurance premiums	201.9	162.0
Deferred acquisition costs	159.1	148.2
Deferred tax asset	179.7	166.7
Accounts receivable on unsettled investment sales	16.0	6.7
Goodwill	400.8	400.8
Intangible assets	171.9	179.8
Other assets	129.1	136.6
Assets held for sale	10.5	-
Total assets	<u>\$ 6,586.8</u>	<u>\$ 6,375.8</u>
Liabilities		
Loss and loss adjustment expense reserves	\$ 2,515.1	\$ 2,331.5
Unearned insurance and reinsurance premiums	874.5	708.0
Ceded reinsurance payable	314.9	244.7
Funds held under reinsurance treaties	145.3	169.1
Deferred tax liability	207.9	205.9
Debt	684.9	685.2
Accounts payable on unsettled investment purchases	11.3	2.3
Other liabilities	160.3	180.3
Total liabilities	<u>4,914.2</u>	<u>4,527.0</u>
Commitments and contingencies		
Common shareholder's equity		
Common shares (<i>shares issued and outstanding: 12,000</i>)	0.1	0.1
Additional paid-in surplus	1,553.3	1,553.3
Retained earnings	360.0	529.9
Accumulated other comprehensive (loss)	(243.3)	(236.9)
Total common shareholder's equity	<u>1,670.1</u>	<u>1,846.4</u>
Non-controlling interests	<u>2.5</u>	<u>2.4</u>
Total equity	<u>1,672.6</u>	<u>1,848.8</u>
Total liabilities and equity	<u>\$ 6,586.8</u>	<u>\$ 6,375.8</u>

Sirius International Group, Ltd.
Consolidated Statements of Income
For the three and six months ended June 30, 2020 and 2019
Unaudited

<i>(Expressed in millions of U.S. dollars, except share and per share information)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Revenues				
Net earned insurance and reinsurance premiums	\$ 369.8	\$ 370.7	\$ 804.5	\$ 682.6
Net investment income	14.7	24.3	28.2	44.3
Net realized investment gains	7.1	15.6	27.4	24.6
Net unrealized investment gains (losses)	8.7	15.4	(35.0)	89.4
Net foreign exchange (losses) gains	(17.6)	(0.6)	2.5	4.5
Other revenue	10.2	17.5	14.5	37.1
Total revenues	392.9	442.9	842.0	882.5
Expenses				
Loss and loss adjustment expenses	240.3	278.0	667.4	461.9
Insurance and reinsurance acquisition expenses	78.1	77.0	152.8	140.3
Other underwriting expenses	36.3	35.5	74.3	70.8
General and administrative expenses	14.9	17.7	35.5	36.3
Intangible asset amortization expenses	4.0	4.0	7.9	7.9
Interest expense on debt	7.9	8.0	15.7	15.6
Total expenses	381.5	420.2	953.6	732.8
Pre-tax income (loss)	11.4	22.7	(111.6)	149.7
Income tax (expense) benefit	(7.1)	(3.9)	3.6	(21.8)
Net income (loss)	4.3	18.8	(108.0)	127.9
Less: loss (income) attributable to non-controlling interests	0.2	(0.8)	-	(1.2)
Net income (loss) attributable to Sirius Group's common shareholder	\$ 4.5	\$ 18.0	\$ (108.0)	\$ 126.7

Sirius International Group, Ltd.
Consolidated Statements of Comprehensive Income (loss)
For the three and six months ended June 30, 2020 and 2019
Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<i>(Expressed in millions of U.S. dollars)</i>				
Comprehensive income (loss)				
Net income (loss)	\$ 4.3	\$ 18.8	\$ (108.0)	\$ 127.9
Other comprehensive income (loss), net of tax				
Change in foreign currency translation, net of tax	57.1	1.1	(6.4)	(26.7)
Total other comprehensive income (loss)	57.1	1.1	(6.4)	(26.7)
Comprehensive income (loss)	61.4	19.9	(114.4)	101.2
Net loss (income) attributable to non-controlling interests	0.2	(0.8)	-	(1.2)
Comprehensive income (loss) income attributable to Sirius Group	\$ 61.5	\$ 19.1	\$ (114.4)	\$ 100.0

Sirius International Group, Ltd.
Consolidated Statements of Shareholder's Equity
For the three and six months ended June 30, 2020 and 2019
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Common shares				
Balance at beginning and end of period	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Additional paid-in surplus				
Balance at beginning of period	1,553.3	1,553.3	1,553.3	1,524.8
Capital contribution	-	-	-	28.4
Balance at end of period	1,553.3	1,553.3	1,553.3	1,553.2
Retained earnings				
Balance at beginning of period	355.6	663.4	529.9	559.7
Cumulative effect of accounting change	-	-	(6.8)	-
Balance at beginning of period, as adjusted	355.6	663.4	523.1	559.7
Net income (loss)	4.3	18.8	(108.0)	127.9
Income attributable to non-controlling interests	0.2	(0.8)	-	(1.2)
Dividends declared on common shares	-	(30.0)	(55.0)	(35.0)
Other, net	(0.1)	0.1	(0.1)	-
Balance at end of period	360.0	651.4	360.0	651.4
Accumulated other comprehensive (loss)				
Balance at beginning of period	(300.4)	(229.6)	(236.9)	(201.8)
Accumulated net foreign currency translation (losses)				
Balance at beginning of period	(300.4)	(229.6)	(236.9)	(201.8)
Net change in foreign currency translation	57.1	1.1	(6.4)	(26.7)
Balance at the end of period	(243.3)	(228.5)	(243.3)	(228.5)
Balance at the end of period	(243.3)	(228.5)	(243.3)	(228.5)
Total common shareholder's equity	\$ 1,670.1	\$ 1,976.2	\$ 1,670.1	\$ 1,976.2
Non-controlling interests	2.5	3.0	2.5	3.0
Total equity	\$ 1,672.6	\$ 1,979.2	\$ 1,672.6	\$ 1,979.2

Sirius International Group, Ltd.
Consolidated Statements of Cash Flows
For the six months ended June 30, 2020 and 2019
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Six months ended June 30,	
	2020	2019
Cash flows from operations:		
Net (loss) income	\$ (108.0)	\$ 127.9
Adjustments to reconcile net income to net cash provided from operations:		
Net realized and unrealized investment losses (gains)	7.7	(114.0)
Amortization of premium on fixed maturity investments	2.0	(3.1)
Amortization of intangible assets	7.9	7.9
Depreciation and other amortization	3.3	4.3
Other operating items:		
Net change in loss and loss adjustment expense reserves	184.0	46.6
Net change in reinsurance recoverable on paid and unpaid losses	(64.4)	(36.0)
Net change in funds held by ceding companies	38.4	(54.7)
Net change in unearned insurance and reinsurance premiums	162.0	252.6
Net change in ceded reinsurance payable	61.8	50.4
Net change in ceded unearned insurance and reinsurance premiums	(37.3)	(35.8)
Net change in insurance and reinsurance premiums receivable	(138.9)	(252.0)
Net change in deferred acquisition costs	(11.0)	(20.2)
Net change in funds held under reinsurance treaties	(23.0)	18.4
Net change in current and deferred income taxes, net	(1.5)	6.7
Net change in other assets and liabilities, net	5.0	29.6
Net cash provided from operations	88.0	28.6
Cash flows from investing activities:		
Net change in short-term investments	90.0	(159.7)
Sales of fixed maturities and convertible fixed maturity investments	302.9	239.7
Maturities, calls, and paydowns of fixed maturity and convertible fixed maturity investments	132.7	154.7
Sales of common equity securities	663.7	152.2
Distributions, redemptions, and maturities of other long-term investments	19.6	33.6
Return of principal on loan participations	0.1	-
Contributions to other long-term investments	(26.0)	(41.3)
Purchases of common equity securities	(473.4)	(125.8)
Purchases of fixed maturities and convertible fixed maturity investments	(673.1)	(247.9)
Purchases of loan participation	(7.4)	-
Net change in unsettled investment purchases and sales	(1.3)	2.4
Other, net	(1.7)	0.7
Net cash (used for) investing activities	26.1	8.6
Cash flows from financing activities:		
Dividends to common shareholder	(55.0)	(35.0)
Payment of contingent consideration	(5.5)	-
Change in collateral held on Interest Rate Cap	-	(0.1)
Net cash (used for) financing activities	(60.5)	(35.1)
Effect of exchange rate changes on cash	0.8	(3.8)
Net increase (decrease) increase in cash during period	54.4	(1.7)
Cash and restricted cash balance at beginning of period	150.4	132.2
Cash and restricted cash balance at end of period	\$ 204.8	\$ 130.5